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April 15, 1998

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EX PARTE

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
1919 M Street, NW, Room 222
Washington, D.C. 20554

**FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY**

Re: CC Docket No. 97-208, CC Docket No. 97-231,
CC Docket No. 97-121, CC Docket No. 97-137,
CC Docket No. 96-98, and RM-9101

Dear Ms. Salas:

This is to inform you that Keith Milner, Robert Blau, and the undersigned, all of BellSouth Corporation, met with Commission staff on April 15, 1998. The following Common Carrier Bureau staff members attended some or all of this meeting: Michael Pryor; Bill Bailey; Greg Cooke; David Kirschner; and Joe Welch. Stagg Newman of the Office of Plans and Policy also attended the meeting.

During the meeting the participants discussed issues related to BellSouth's provision of branding for operator services and directory assistance and of selective call routing. The attached document served as the basis for that discussion. Attachment 2 consists of the parts of arbitration orders issued by the Public Service Commission of Kentucky and the North Carolina Public Utilities Commission discussing issues related to BellSouth's provision of selective routing and branding to competitive local exchange carriers operating in those states.

Because the Commission is considering one or more of the issues discussed at the meeting in each of the proceedings identified above, we are filing notice of this ex parte meeting in each of those proceedings.

As required by Section 1.1206(a)(2) of the Commission's rules, we are filing with the Commission two copies of this notice in each of the proceedings identified above.

Sincerely,



Kathleen B. Levitz
Vice President - Federal Regulatory

Attachments

cc:	Bill Bailey	Greg Cooke	David Kirschner
	Michael Pryor	Joe Welch	Stagg Newman

ATTACHMENT 1

History

- Pursuant to Georgia PSC's June 12, 1996 Order, BellSouth and AT&T submitted their Joint Report regarding the technical feasibility of selective routing via the Line Class Code method
- BellSouth and CLECs filed testimony in arbitration cases in all nine states in BellSouth's region

- **FLORIDA** When a CLEC resells BellSouth's local exchange service, or purchases unbundled local switching, it is technically feasible to route 0+ and 0- calls to an operator other than BellSouth's, to route 411 and 555-1212 director assistance calls to an operator other than BellSouth's, or to route 611 repair calls to a repair center other than BellSouth's. BellSouth is required to provide selective routing, using the Line Class Code method, on a first-come, first-served basis.
- **GEORGIA** In the interim (until a permanent solution is available), it is technically feasible for BellSouth to provide CLECs with selective routing using the Line Class Code method.
- **TENNESSEE** Selective routing is technically feasible using the Line Class Code method. Where BellSouth customers dial 611 to access repair service, BellSouth must provide selective routing to the CLECs. Where BellSouth uses 7 digit dialing for access to repair service, CLECs should provide their own 7-digit numbers.

ARBITRATION OUTCOMES (continued)



- **NORTH CAROLINA** BellSouth does not have to provide customized routing of calls for operator services and directory assistance services directly to AT&T's platform. Customized routing is not technically feasible at this time.
- **LOUISIANA** Selective routing is at present not technically feasible. BellSouth shall, within six months of this Order, show cause why it should not be ordered to provide selective routing. If, at that time, BellSouth is not providing selective routing via AIN, it shall bear the burden of so proving that there remains no technically feasible method by which to provide selective routing.
- **ALABAMA** Selective routing is technically feasible. BellSouth shall route AT&T's customers calling for Operator and Directory Assistance services directly to an AT&T service platform. If BellSouth chooses to use Line Class Codes to provide selective routing until a long term solution is adopted, BellSouth shall provide selective routing through the use of LCCs on first come, first served basis.

- **KENTUCKY** In those instances where branding is technically feasible it should be provided for operator services calls. However the Commission will not require BellSouth to brand directory assistance for CLECs because it does not brand its own. Where branding does take place, BellSouth shall determine the additional cost it will incur to provide it and bill CLECs for such costs. Should BellSouth initiate branding of its directory assistance, it must also offer competitors the option to have their calls branded.
- **SOUTH CAROLINA** BellSouth shall route CLEC customers to the CLEC for operator and directory assistance services. Line Class Codes shall be utilized on a first come, first served basis.
- **MISSISSIPPI** BellSouth shall provide selective routing using Line Class Codes on an interim basis, and BellSouth shall work cooperatively to implement a long-term selective routing solution as expeditiously as possible.

History (continued)

- CLECs Needed Routing Flexibility
- LCCs Worked, But Were Potentially Limited Resource
- CLECs Forecasted Large LCC Demand
- Competitive Parity a Concern if LCCs Exhausted
- Hybrid AIN Solution Used Fewer LCCs
- Solution More Flexible; Change Routing More Easily
- AIN Hub Office Connectivity Might Be Advantageous
- Short Term Costs Could Be Reduced

New Issues Associated With AIN Solution

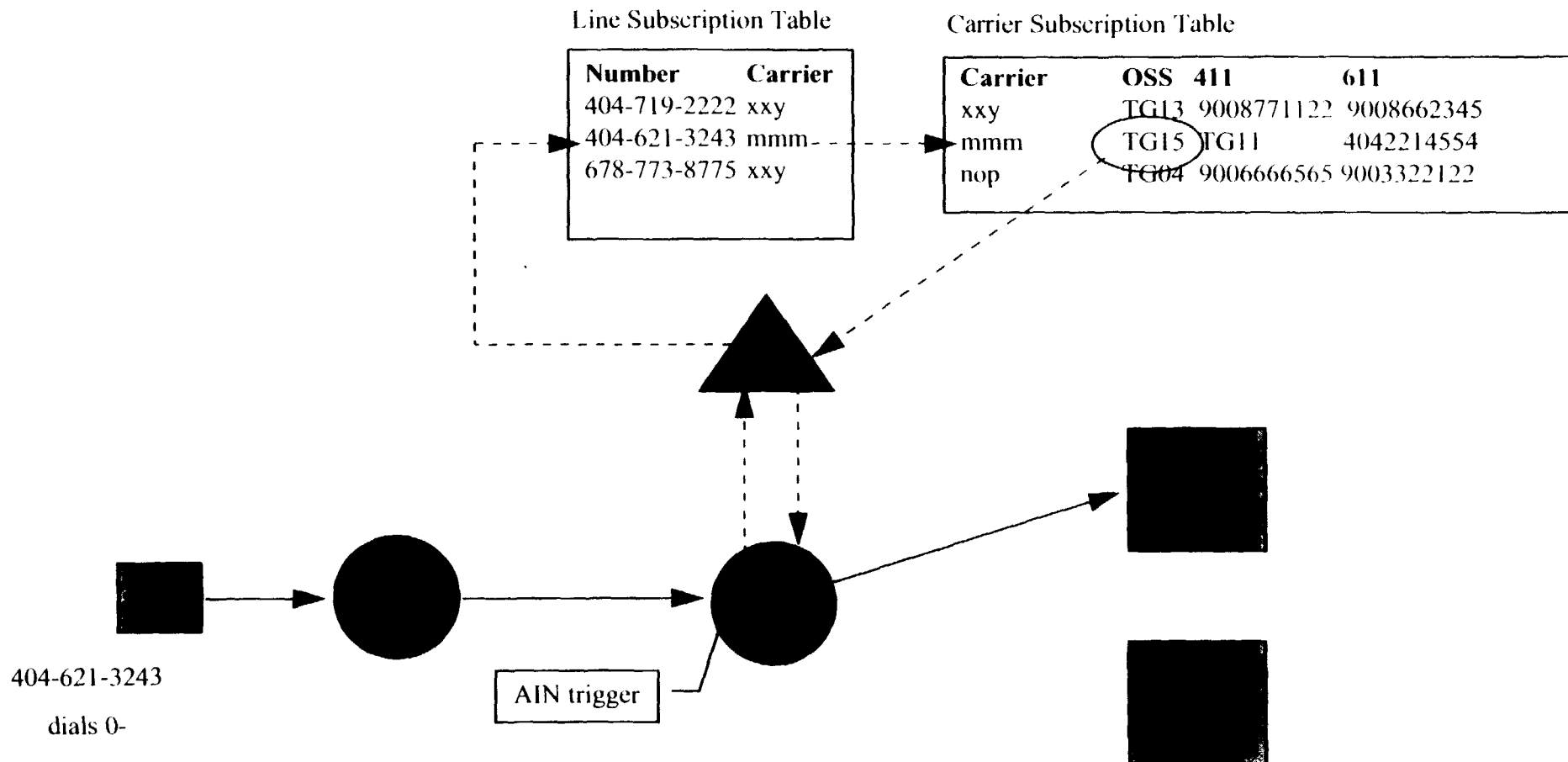
- Technical Trial Identified Potential Call Setup Delay
- LCC Exhaust Not As Critical Due to Lower Actual Demand
- LCC Savings Offset by Database Updating and Queries
- AIN Solution More Expensive After First Two Years
- Need Customer Input Based On Proposed Prices

➤ Comparison of BellSouth alternatives

<u>Criteria</u>	<u>LCC</u>	<u>EO-AIN</u>	<u>Hub-AIN</u>
Availability nationwide	H	M	H
Call types supported	H	M	H
Minimal use of LCCs	L	H	H
Simplicity of provisioning	L	H	H
Minimize trunks to OSS	L	L	H
Call setup speed	H	H	M
Per-call NE economy	H	M	M

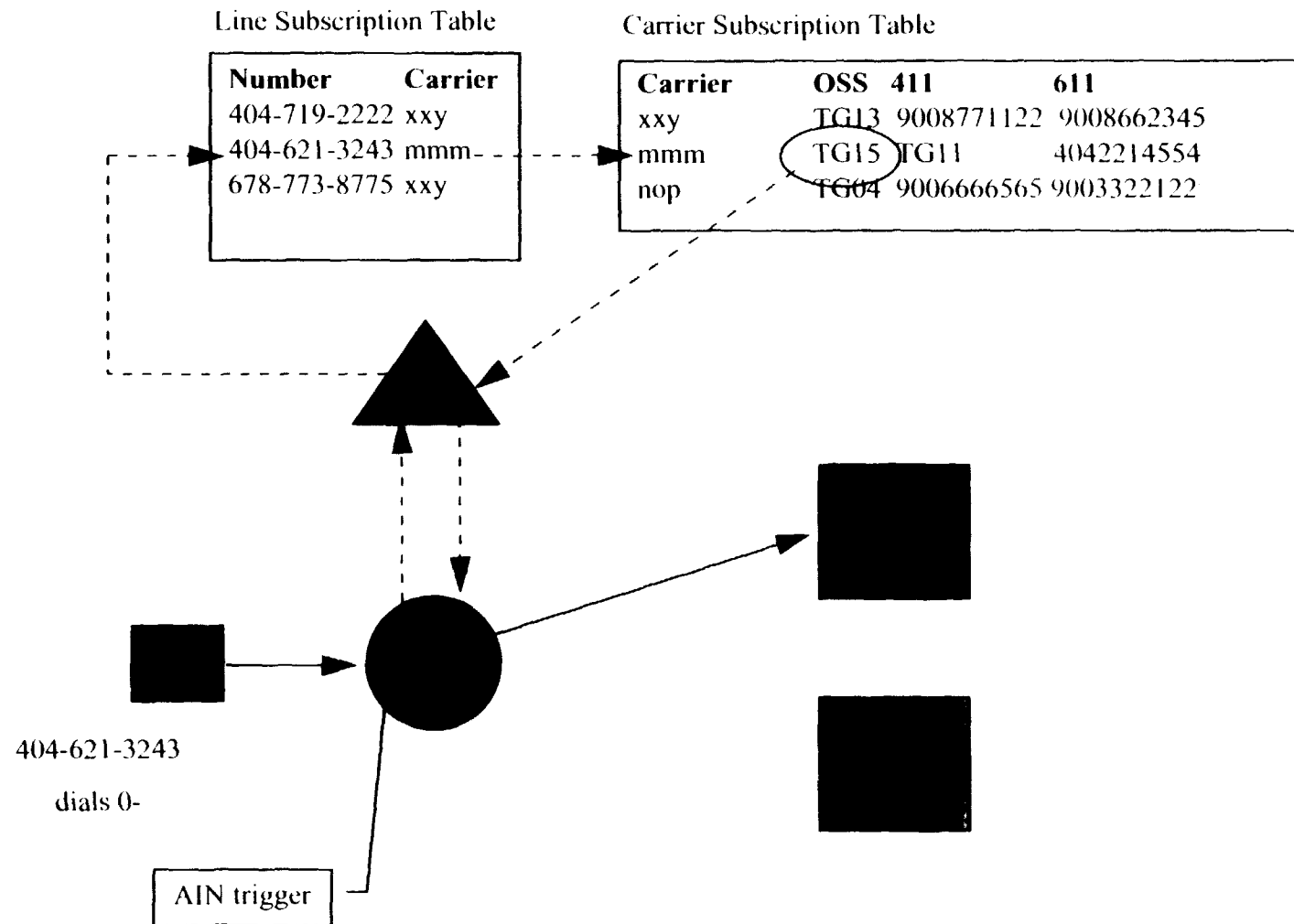
NE = Network Element

➤ Hub-AIN High-level Call flow



- **Caller (404 621 3243) dials 0-**
- **Caller's End Office Switch forwards call to AIN equipped Hub Switch.**
- **AIN Hub Switch translates 0- and executes AIN trigger.**
- **AIN SCP responds to trigger. AIN Hub Switch passes Callers directory number to SCP.**
- **SCP does Line Subscription Table look-up that determines the Caller (404 621 3243) to be a customer of Carrier MMM.**
- **SCP then does Carrier Subscription Table loop-up that determines routing information to be used (trunk group, local telephone number, etc.)**
- **SCP passes routing instructions to AIN Hub Switch.**
- **AIN Hub Switch completes call to Operator Services Switch in accordance with routing instructions received.**

➤ EO-AIN High-level Call flow



- **Caller (404 621 3243) dials 0-**
- **Caller's End Office Switch is AIN equipped.**
- **End Office Switch translates 0- and executes AIN trigger.**
- **AIN SCP responds to trigger. AIN Hub Switch passes Callers directory number to SCP.**
- **SCP does Line Subscription Table look-up that determines the Caller (404 621 3243) to be a customer of Carrier MMM.**
- **SCP then does Carrier Subscription Table loop-up that determines routing information to be used (trunk group, local telephone number, etc.)**
- **SCP passes routing instructions to End Office Switch.**
- **End Office Switch completes call to Operator Services Switch in accordance with routing instructions received.**

► Selective Carrier Routing Timeline

1996	July	Industry discussions on SCR begin
	Jan	BellSouth begins initial design work
1997	May	Prototype work begins
	July	Prototype testing completed, status report generated
	Oct	Trial service development work begins
	Oct	NIAC industry forum releases SCR document
	Nov	Trial customer planning meetings begin
1998	Dec	Trial begins
	Jan	Trial completed and draft report generated
	Feb	Deployment planning begins
	Mar	Ordering system updates begin

ATTACHMENT 2

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

THE INTERCONNECTION AGREEMENT)	
NEGOTIATIONS BETWEEN AT&T)	
COMMUNICATIONS OF THE SOUTH CENTRAL)	CASE NO. 96-482
STATES, INC. AND BELL SOUTH)	
TELECOMMUNICATIONS, INC. PURSUANT TO 47)	
U.S.C.)	

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Eddy
cc: Creighton
Steve
Steve
Chad

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for such access was January 1, 1997.¹² Accordingly, BellSouth should, in good faith, attempt to provide the access as soon as possible. In the meantime, it must offer AT&T an interim solution. Permanent solutions should be available and should be implemented no later than June 30, 1997. The resultant costs incurred by BellSouth should be borne by the ALECs on a fairly apportioned basis. As competition develops, additional ALECs will be required to bear their portion of the costs.

The Commission addressed the issue of access to customer records in Case No. 96-440,¹³ and it adheres to that decision here. When customer information is withheld from an ALEC, a competitive disadvantage is created. To offer relief, the Commission has concluded that an ALEC's provision of a blanket Letter of Authorization to the ILEC shall be sufficient to allow the ALEC access to customer records.

V. PROPOSED REQUIREMENT THAT BELL SOUTH ROUTE CALLS FOR OPERATOR SERVICES AND DIRECTORY ASSISTANCE DIRECTLY TO AT&T'S PLATFORM (PARTIES' ISSUE 6)

AT&T argues that direct routing is technically feasible and therefore should be provided in the resale environment. AT&T says BellSouth can provide this capability by using its Advanced Intelligent Network ("AIN"). AT&T asserts that Bell Atlantic has

¹² In FCC 96-476, Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, CC Docket No. 96-98 (December 13, 1996), Paragraph 11, the FCC stated it does not intend to initiate enforcement action against ILECs that do not meet the January 1 date but are making good faith efforts to provide the access "within a reasonable period of time, pursuant to an implementation schedule approved by the relevant state commission."

¹³ Case No. 96-440, Petition by MCI for Arbitration of Certain Terms and Conditions of a Proposed Agreement with GTE South Incorporated Concerning Interconnection and Resale under the Telecommunications Act of 1996, Final Order dated December 23, 1996.

already agreed to provide this function through its AIN by April 1997. While AT&T acknowledges that switches provide only a finite number of line class codes, it argues that they can and should be allocated to new entrants on a "first come, first served" basis. AT&T also states that the Commission has already held, in Case No. 96-431, that BellSouth should brand all calls when offering services for resale where technically feasible. AT&T asserts that the technology required to brand calls and to route calls to a provider's operator services is the same since, in either case, there must be a way to distinguish AT&T customers from BellSouth customers.

BellSouth characterizes the requested capability as "local switching with selective routing" and argues that it is technically unfeasible. Citing the limited capacity of the switches, it argues, inter alia, (1) that line class codes for selective routing could not be offered to all ALECs and limitation would be unfair to carriers who did not receive the function; and (2) that exhaustion of the switch would restrict the service variations ALECs could offer as well as the ability of BellSouth to provide new services. BellSouth also says its existing AIN capabilities cannot provide the requested selective routing. However, BellSouth explains that it is seeking a solution and urges the Commission to deny AT&T's request at this time.

The Commission has already concluded, in Administrative Case No. 355,¹⁴ that it will not require ILECs to furnish resold tariffed services minus operator services. The Commission reaffirms that decision here, but notes that, if an ILEC and reselling ALEC

¹⁴ Administrative Case No. 355, Order dated September 26, 1996.

reach a mutual agreement in regard to such service separations, the Commission will accept this individual arrangement.

If, however, an ALEC provides service through unbundled elements, an ILEC shall provide routing for the ALEC's customers' calls for operator services and directory assistance. If an ILEC asserts that the service is not technically feasible, it bears the burden of proof before the Commission. BellSouth has not borne that burden in regard to the routing issue in an unbundled element environment.

VI. BRANDING (PARTIES' ISSUE 7)

As previously stated herein, the Commission does not require ILECs to furnish resold tariff services minus operator or directory assistance services, although if an ILEC and an ALEC agree to a wholesale rate for a service without operator services or directory assistance services, the Commission will accept their arrangement. If, on the other hand, an ALEC provides the service through purchase of unbundled elements, then the ILEC shall provide customized routing for 0+, 0-, 411, 611, and 555-1212 calls. If an ILEC asserts that customized call routing is not technically feasible, it has the burden of proving its claim.

AT&T argues that directory assistance service and operator services should be branded as it requests. BellSouth asserts that it is not required by the Act to brand operator or directory services on an individual brand basis, and that such branding is not technically feasible.

The FCC has concluded that where operator, call completion or directory assistance is part of a service or service package, failure of the ILEC to comply with

branding requests presumptively constitutes an unreasonable restriction on resale except in cases where it is not technically feasible.¹⁵ The ILEC should, however, be compensated for costs incurred in complying with branding requests by the carrier which made the request.

The Commission finds, therefore, that in those instances where branding of operator services is technically feasible, and where such branding is necessary for parity of service, it should be provided. However, the Commission will not require BellSouth to brand directory assistance for AT&T because it does not brand its own. Should BellSouth initiate branding of its directory assistance, it must also offer competitors the option to have their calls branded.

Where branding does take place pursuant to the terms described herein, BellSouth shall determine the additional cost it will incur to provide it and shall bill AT&T for such costs. AT&T or BellSouth may petition the Commission for resolution of any billing disputes.

VII. APPEARANCE OF AT&T ON BELL SOUTH'S DIRECTORY
(PARTIES' ISSUE 9)

AT&T argues its logo should be displayed on BellSouth's telephone directories as BellSouth's logo is displayed. However, this dispute is no longer at issue, since the Commission has already addressed it. By Order dated November 21, 1996, BellSouth Advertising Publishing Corporation ("BAPCO") was denied intervention in this proceeding. In that Order, the Commission noted that AT&T and other ALECs that have directory

¹⁵ See FCC Order, Paragraph 971.

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PETITION BY MCI FOR ARBITRATION OF)	
CERTAIN TERMS AND CONDITIONS OF A)	
PROPOSED AGREEMENT WITH BELL SOUTH)	CASE NO. 96-431
TELECOMMUNICATIONS INC. CONCERNING)	
INTERCONNECTION AND RESALE UNDER THE)	
TELECOMMUNICATIONS ACT OF 1996)	

O R D E R

On December 20, 1996, the Commission issued its final Order (the "Order") in the arbitration proceedings between MCI Telecommunications Corporation and MCI Metro Access Transmission Services, Inc. (collectively, "MCI") and BellSouth Telecommunications, Inc. ("BellSouth") wherein it decided, pursuant to the Telecommunications Act of 1996, Pub. L. 104-104, 110 Stat. 56 (the "Act") the major disagreements regarding the parties' proposed interconnection agreement. Minor modifications to those decisions appear in the Commission's subsequent Order dated January 29, 1997.

On February 18, 1997, MCI and BellSouth submitted what they termed "the composite agreement" as required by the Commission's Orders. Both parties state that after the Commission has resolved the issues that remain in dispute, they will submit a complete agreement for Commission approval. The Commission notes that it decides herein only those disputes that are within the parameters of the Commission's original decisions on these matters. The statutory deadline for proposing issues the Commission may consider has passed. See 47 U.S.C. 252(b)(4).

In addition, the Commission will not require BellSouth or any other carrier to be responsible for a competitor's audit expenses, should readjustments be required as a result of these audits. The recovery of the charges plus a reasonable interest penalty is sufficient. One company should not bear the burden of another when insuring compliance with any agreement.

Finally, MCI's proposal that the adjustment penalty should be at the highest interest rate allowable by law for commercial transactions is unacceptably vague. Therefore, the Commission will order the interest rate to be at prime. Since borrowing at prime does not require compounding, the Commission will not require it in this case.

Branding⁷

BellSouth's proposed terms would not require branding of operator assisted, directory assistance, and repair service calls when such services are resold pursuant to Section 251(c)(4). BellSouth claims that such branding requires customized routing, which the Commission has not required for resold services. MCI wishes to require branding of all services when BellSouth brands its own. MCI contends its proposed language comports with the Commission's Order in this case.

MCI is correct. BellSouth is required to brand MCI's service when it brands its own. Restrictions on branding may not be unreasonable or discriminatory, as this Commission has previously held.

⁷ BellSouth List at 16-17; MCI List 11.

96-431 -
MCI - 5/19/97

The Commission will not prescribe for the parties language imposing or denying liability for failure to live up to contractual or other legal obligations. Complaints on such issues should be brought to the Commission.

Prices⁸

The Commission agrees with BellSouth's position in regard to the price schedule text. See BellSouth List at 19. MCI overreaches in attempting to impose upon BellSouth costs appropriately paid by MCI for any construction necessary to comply with the interconnection request. Additional TELRIC studies submitted by BellSouth will be dealt with in further proceedings in this docket as explained below.

Line Information Database Performance Measurements⁹

The Commission stated, Order at 24-25, that it will not require BellSouth to agree to specific performance standards. There is no reason to assume that BellSouth will not provide parity of service to other providers as required by law. MCI's proposed language is rejected.

Transport and Termination Charges¹⁰

BellSouth objects to language requiring MCI to be compensated for termination of BellSouth's calls at a rate symmetrical to BellSouth's rate for tandem switching, even though MCI lacks a tandem switch. BellSouth suggests that MCI should be compensated on the basis of the elements used in termination. BellSouth also opposes

⁸ BellSouth List at 18-20 and Addendum; BellSouth addendum dated April 16, 1997; MCI List at 12-23.

⁹ MCI List at 24-25.

¹⁰ BellSouth list at 21-22; MCI List at 27-28.